



For immediate release

12 April 2017

RWS Holdings plc (“the Group”)

Half Year Trading Statement

RWS Holdings plc (“RWS”, “the Group”), the world’s leading provider of intellectual property support services (patent translations, international patent filing solutions and searches) and a leading provider of life sciences and commercial language services, today provides an update on trading for the half year ended 31 March 2017 (“the first half”), ahead of the announcement of its half year results on 20 June 2017.

Trading & Financial Update

RWS has delivered a strong first half performance, such that the Board expects the Group to achieve record revenues of not less than £76 million for the first half compared to £56.9 million in the first half of 2016, an increase of 33.6%.

Adjusted profit before tax (before amortisation of intangibles, share option costs and exceptional acquisition costs of Corporate Translations Inc (“CTi”) in 2016 and LUZ, Inc, (“LUZ”) in 2017) is expected to be at least £19.0 million in the first half of 2017, a 36.7% increase compared to 2016 (H1 2016: £13.9 million), reflecting significantly enhanced sales and gross margins.

This first half performance was driven by particularly strong growth in our patent translations and search businesses, including an exceptionally strong, 20.6%, increase in PatBase’s higher margin subscription-based revenues, together with a full first half contribution from CTi, a six-week contribution from LUZ, the recently acquired Life Sciences translation specialist based in San Francisco, and currency tailwinds. We are also pleased to have achieved meaningful new client wins in both intellectual property and Life Sciences as well as increased levels of business from a number of our established clients.

In February 2017, RWS acquired LUZ, one of the world’s largest specialist Life Science language service providers focused upon medical devices and regulatory requirements and based in San Francisco, for a cash consideration of US\$82.5m. Luz is highly complementary, in terms of both its specialism and geographical presence, to CTi, the Connecticut-based world leading Life Sciences translation and linguistic validation company, which the Group acquired in late October 2015. Following these two acquisitions, RWS has become a leading player in the worldwide Life Sciences support services sector. LUZ has transitioned smoothly as it has become part of the Group and is performing in line with our expectations.

The Group has continued to strengthen its financial position with shareholder funds expected to be approximately £149 million at 31 March 2017, following the £40 million placing arranged as a part of the LUZ acquisition. As at 31 March 2017, net debt was approximately £33.0 million, well below one times expected EBITDA for 2017.

Market Update

The World Intellectual Property Organisation (WIPO) recently published statistics showing a 7.3% increase in the 2016 PCT filings to 233,000. Applicants from the USA remain the largest filers under this system, with China delivering the most growth. The European Patent Office (EPO) also issued statistics for 2016 showing that the total number of European filings increased by 6.2% to 296,000, again a new

record. European filings by Chinese applicants increased by 25%. Significantly, the EPO reported an increase of 40% in granted patents, which it attributed to improved productivity and efficiency.

Andrew Brode, Chairman of RWS, commented on outlook:

"RWS continues to perform extremely well across its service offerings. We are delighted to have acquired LUZ, in the face of stiff competition, which provides us with a strong platform from which to deliver our North American strategy.

"As the premier global supplier of intellectual property support services and now a major force in Life Sciences we believe we have an unrivalled position from which we can drive further expansion.

"Our strong financial and market position leaves us well placed to attract selected niche acquisition opportunities in our chosen specialities.

"Overall, we anticipate further progress in the second half of the year, which will benefit from a full contribution from LUZ, and beyond."

For further information contact:

RWS Holdings plc

Andrew Brode, Chairman
Richard Thompson, CEO

01753 480200

MHP

Katie Hunt / Simon Hockridge

0203 128 8100

Numis

Stuart Skinner / Kevin Cruickshank (Nominated Adviser)
Michael Burke (Corporate Broker)

0207 260 1000

About RWS:

RWS is the world's leading provider of patent translations and one of the leading players in the provision of intellectual property support services and a market leader in Life Sciences translations and linguistic validation as well as a high level specialist language service provider in other technical areas, providing for the diverse needs of a blue-chip multinational client base from Europe, North America and Asia. RWS is based in the UK, with offices in Europe, the USA (New York, Connecticut, Colorado, San Francisco, Boston and Chicago), China, Japan and Australia, and is listed on AIM, the London Stock Exchange regulated market (RWS.L).

For further information, please visit: www.rws.com